

DEPARTMENT OF ENERGY

Nevada Operations Office
(DOE/NV)

DOE/NV PERFORMANCE FEE ADMINISTRATION

PROCEDURAL INSTRUCTIONS (PI)



OCTOBER 1997

**DOE/NV PERFORMANCE FEE ADMINISTRATION
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NV PI 97-012

10-24-97

TRANSMITTAL PAGE

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<u>Randy Rollins</u> Point of Contact		<u>295-1129</u> Telephone No.	
6. Filing Instructions: File this Transmittal Page and the attached NV PI 97-012, DOE/NV Performance Fee Administration, in your PI Binder.			
7. Signature Approval			
<u>G. W. Johnson</u> Manager		<u>10-24-97</u> Date	

THIS ACTION TRANSMITTAL PAGE MUST BE KEPT WITH NV PI 97-012, THE ENTIRETY OF THE DOCUMENT.

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PI INDEX

<u>Function</u>	<u>OPR</u>	<u>NV PI No.</u>	<u>Cross Reference(s)</u>
DOE/NV Performance Fee Administration	CMD	NV PI 97-012	

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FOREWORD

The Government Performance and Results Act, Department of Energy (DOE) contracting efforts, and other initiatives to improve the efficiency of the Federal Government have resulted in DOE conducting business by promoting new contracting approaches, innovative partnerships, and new ideas. Bechtel Nevada (BN), as the DOE Nevada Operations Office (DOE/NV) management and operating contractor, is responsible for planning, managing, and performing the work scopes assigned by DOE/NV. Performance objectives serve as the basis for all assigned work scope associated performance measures and expectations. Selected performance measures and expectations are recognized by specific objective performance incentives. The balance of the performance measures and expectations as well as all other aspects of BN's performance are recognized collectively through subjective performance incentives. Superior levels of performance, well above the expected level of performance, may also be identified.

The majority of the work performed by BN at the Nevada Test Site is in support of National Laboratories and other customers. Because of the nature of this work effort, DOE/NV utilizes Performance Fee to incentivize outstanding performance and to recognize BN's efforts. Performance Fee consists of two components: an objective fee component and a subjective fee component. The objective fee component (incentive fee) provides management focus and emphasis on DOE/NV's critical few management and program objectives. The subjective fee component (award fee) provides management focus and emphasis on all other aspects of BN's performance, to include all other performance measures, overall management acumen, customer service, problem solving, as well as other subjective factors.

This Procedural Instruction provides for the overall administration of Performance and Award Fee and a fair and reasonable basis for incentivizing and recognizing the work performed under the BN contract.

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- 1.0 PURPOSE.** This document provides guidance for developing the critical few performance objectives, measures, and expectations required to maintain management focus on DOE Nevada Operations Office (DOE/NV) management and program objectives and to assess incentive fee performance; for documenting award fee criteria to assess all other aspects of Bechtel Nevada's (BN) performance; for establishing BN's Performance Evaluation Plan (PEP) which identifies incentive fee and award fee performance elements; for assessing BN's incentive fee and award fee performance; and for establishing documentation requirements of the process.
- 2.0 SCOPE AND OBJECTIVES.** This Procedural Instruction (PI) is applicable to DOE Headquarters (DOE/HQ), DOE/NV, BN, and the National Laboratories and other customers.
- 2.1 Provide DOE/NV with a mechanism to achieve its highest priority objectives;
 - 2.2 Incentivize BN to accomplish DOE/NV's management and program objectives through the establishment of critical performance objectives, measures, and expectations;
 - 2.3 Reward BN with fee commensurate with the achievement of the specific DOE/NV performance requirements;
 - 2.4 Create an administratively efficient process to assess BN's performance;
 - 2.5 Provide a fair and reasonable basis for determining the amount of fee earned; and
 - 2.6 Create a process that ensures BN's work efforts are executed in a manner that provides high value deliverables to DOE/NV.
- 3.0 RESPONSIBILITIES.** The effectiveness of the Performance Fee Administration process requires the establishment of close working relationship between DOE/NV, DOE/HQ, the National Laboratories and other customers, and BN because all entities are responsible for successful implementation of the plan and successful completion of DOE/NV's significant management and program objectives. The roles and responsibilities of the key personnel are as follows:

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3.1 DOE Headquarters

- 3.1.1 Provides program management and planning objectives.
- 3.1.2 Reviews, evaluates, and provides an assessment of BN's incentive fee and award fee performance.

3.2 DOE/NV Manager

- 3.2.1 Chairs the DOE/NV Executive Council.
- 3.2.2 Serves as the Fee Determination Official (FDO).

3.3 Contracting Officer

- 3.3.1 Ensures that planning guidance and the DOE/NV work breakdown structure are established.
- 3.3.2 Ensures the development of incentive fee performance expectations, award fee criteria, and weights for fee allocation.
- 3.3.3 Approves the PEP.
- 3.3.4 Approves scorecards displaying completion and achievement of the performance measures and expectations and approves the earned fee.
- 3.3.5 Ensures the establishment of the fee pool for BN.
- 3.3.6 Approves changes to the PEP.

3.4 Executive Council

- 3.4.1 Prioritizes all work scopes, performance objectives, and measures taking into consideration DOE's Strategic Plan, DOE/HQ Operating Plans, and DOE/NV's Strategic Plan.
- 3.4.2 Establishes the critical few performance measures.

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- 3.4.3 Develops award fee criteria.
- 3.4.4 Determines the allocation of weight for incentive fee and award fee and the further allocation of incentive fee weight to individual performance measures.
- 3.4.5 Develops the PEP, which reflects the incentive fee critical few performance measures and award fee criteria to achieve DOE/NV's management and program requirements.
- 3.4.6 Evaluates BN's overall performance and recommends earned fee to the FDO.

3.5 Assistant Managers

- 3.5.1 Coordinates work scope and performance measures with DOE/NV, DOE/HQ, National Laboratories, other customers, and BN.
- 3.5.2 Document the rationale for performance measures and expectations.
- 3.5.3 Assign responsibilities to DOE/NV Division Directors to monitor and evaluate progress in completion of performance measures and award fee criteria.
- 3.5.4 Review achievement of performance measures and award fee criteria by BN.

3.6 Contracts Management Division (CMD)

- 3.6.1 Issues a call letter to DOE/NV and DOE/HQ requesting input on program/performance objectives and performance measures for the upcoming fiscal year.
- 3.6.2 Submits the draft PEP to DOE/NV, DOE/HQ, and BN for review and comment.
- 3.6.3 Consolidates, coordinates, and incorporates comments on the PEP.

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- 3.6.4 Obtains appropriate concurrence and approvals of the PEP.
- 3.6.5 Modifies the BN contract to incorporate by reference the approved PEP.
- 3.6.6 Assists the Contracting Officer with fee pool negotiations.
- 3.6.7 Coordinates quarterly review meetings with DOE/NV senior management to discuss BN's progress and performance.
- 3.6.8 Coordinates training for participants in the performance fee process.
- 3.6.9 Issues call letter to DOE/NV and DOE/HQ for input to BN's award fee assessment.

3.7 Division Directors

- 3.7.1 Establish a partnering relationship with BN and customer counterparts to provide high value deliverables.
- 3.7.2 Assist in the development of expectations with their BN counterparts.
- 3.7.3 Prepare and document baseline cost estimate and rationale for each performance measure and expectation.
- 3.7.4 Review and critique progress reports by BN.
- 3.7.5 Support meetings with BN and customer counterparts to discuss performance progress and achievement.
- 3.7.6 Review and evaluate achievement of performance measures as identified on the scorecard.
- 3.7.7 Initiate PEP Change Requests.
- 3.7.8 Document and validate completion of performance measure expectations.

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3.7.9 Provide assessment on performance measures to the responsible Assistant Manager.

3.7.10 Provide assessment on award fee criteria to the responsible Assistant Manager.

3.8 BN General Manager

3.8.1 Partners with DOE/NV management to establish a working relationship that enables production of high value deliverables.

3.8.2 Supports the development of the PEP and enhances the process through the sharing of best practices and lessons learned.

3.8.3 Assigns responsibilities to BN Assistant General Managers for achievement of performance measures and expectations.

3.8.4 Participates in quarterly meetings with DOE/NV senior management to discuss BN's performance.

3.9 National Laboratories and Other Customers

3.9.1 Provide program performance expectations to the responsible Assistant Manager for consideration in developing the PEP.

3.9.2 Evaluate and provide input on achievement of incentive fee and award fee criteria to the responsible Assistant Manager for consideration in BN's overall performance.

4.0 DEFINITIONS

4.1 Award Fee. The subjective fee component of Performance Fee.

4.2 Executive Council. For the purpose of this PI, DOE/NV senior management chartered with recommending BN earned fee to the FDO.

4.3 Expected Performance Level. Meets agreed upon requirements and performance objectives.

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- 4.4 Fee Determination Official. The final authority in determination of fee award to BN.
- 4.5 Incentive Fee. The objective fee component of Performance Fee.
- 4.6 Performance Expectation. The desired condition or target level of performance for each measure.
- 4.7 Performance Evaluation Plan. A plan that includes scorecards that address performance fee and award fee performance requirements for a given fiscal year (FY).
- 4.8 Performance Fee. Fee for incentivizing superior performance which consists of both objective and subjective components.
- 4.9 Performance Measure. The quantitative method for characterizing performance.
- 4.10 Performance Measure Fee Rating Criteria. The left side of a scorecard used for development of milestones.
- 4.11 Performance Measure Fee Rating Report. The right side of a scorecard used for monitoring and tracking of milestones.
- 4.12 Performance Measure Fee Statement. A letter from BN to DOE/NV's Contracting Officer requesting authorization of fee.
- 4.13 Performance Objective. A statement of desired results from an organization or activity.
- 4.14 Performance Period. The two specific periods for which the DOE/NV Executive Council evaluates BN's overall performance; October 1 through March 31, and April 1 through September 30.
- 4.15 Scorecard. Document indicating milestones, deliverables, dates, fee, etc., for each performance measure.
- 4.16 Stretch Performance Level. Exceeds the expected quality and value associated with acceptable performance level.

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4.17 Task Plan. The execution year baseline that serves as the agreement between BN and DOE/NV Task Plan Managers to perform a specific scope of work.

4.18 Transmittal Letter. Formal letter officially transmitting a deliverable.

5.0 ACRONYMS

5.1	BN	Bechtel Nevada
5.2	CMD	Contracts Management Division
5.3	DOE/HQ	DOE Headquarters
5.4	DOE/NV	DOE Nevada Operations Office
5.5	FDO	Fee Determination Official
5.6	FY	Fiscal Year
5.7	PEP	Performance Evaluation Plan
5.8	PI	Procedural Instruction

6.0 PROCEDURES. The following sections define the detailed steps for fee administration of the BN contract.

6.1 Fee Concept

Performance-based management contracting principles emphasize results-oriented work statements, and performance objectives, measures, and expectations, to incentivize contractors to achieve excellent performance. DOE/NV implements performance-based management contracting principles through processes associated with STRATEGIC PLANNING, BUDGET FORMULATION, BUDGET EXECUTION, AND PERFORMANCE EVALUATION. These processes, defined in the INTEGRATED MANAGEMENT SCHEDULE, NV PI 97-008, consist of strategic planning, developing performance objectives, defining work scope through the Task Planning Process, and evaluating results against a baseline to measure progress.

Much of the work performed by BN is in support of the operations and maintenance of the Nevada Test Site and research and development efforts. Because of the nature of this work, DOE/NV utilizes performance fee to incentivize and reward BN for performance. Performance Fee consists of two components: an objective fee component and a subjective

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fee component. The objective fee component (incentive fee) provides management focus and emphasis on DOE/NV's critical few management and program objectives. The subjective fee component (award fee) provides management focus on all other aspects of BN's performance, to include all other performance measures, overall management acumen, customer service, problem solving, as well as other subjective factors.

The PEP is developed for the entire FY and change control is used for changes through the year. The PEP includes the incentive fee scorecards and one award fee scorecard. Based on these scorecards, an assessment of BN's performance is completed at the end of 2-6 months performance periods: October 1 through March 31, and April 1 through September 30, of each FY.

- 6.2 Incentive Fee. Based on DOE/NV's strategic vision and significant management and program objectives, the Executive Council develops and documents draft performance objectives and performance measures. To ensure a broad representation of input to the development process, each Assistant Manager defines up to two significant strategic initiatives within their respective organizations as proposed performance objectives and measures. The National Laboratories and other customers also provide input through the responsible Assistant Manager. The Executive Council takes into consideration the various initiatives and determines the proposed critical few performance measures needed to achieve critical management and program objectives. The rationale for selection of the proposed performance objectives and performance measures is documented and proposed fee weights are assigned by the Executive Council. It is anticipated that five to ten performance measures will be identified. Considerations in the development of the critical few performance measures and the fee weights include the following:

6.2.1 Relationship to DOE/NV's Strategic Plan

6.2.2 Programmatic Issues and Concerns

6.2.3 Desired Changes in Contractor Culture

6.2.4 Work Scope Estimated Cost vs Proposed Fee and Weight

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6.2.5 Customer Expectations

6.2.6 Challenging Expectations

- 6.3 Award Fee. Award Fee criteria recognize all other contract efforts, to include performance measures not recognized under incentive fee and subjective factors addressed in Attachment 6. The criteria are documented in a scorecard (Exhibit 2).

6.4 Development of Scorecards

Based on the proposed performance objectives, measures, and fee weights developed by the Executive Council, DOE/NV Division Directors develop performance expectations and associated scorecards. It is anticipated that no more than three expectations will be identified per performance measure and scorecard. The Division Directors will document the rationale for the selection of the performance measures and expectations in Exhibit 4.

The scorecards are coordinated with the National Laboratories and BN (Figure 1). After coordination is completed, the Executive Council reviews the supporting documentation; resolves all issues of concern; modifies performance objectives, measures, expectations, and fee weights, as appropriate; and finalizes the scorecards. It is anticipated that the final scorecards will be provided to BN thirty days prior to the beginning of the FY.

- 6.5 Fee Pool Negotiation Process. BN prepares a fee submittal package that provides an analysis of BN's anticipated available fee pool. DOE/NV and BN negotiate a fee pool which is based on risk; complexity of contract effort; capital investment; the fee weight between incentive fee and award fee; and other factors.

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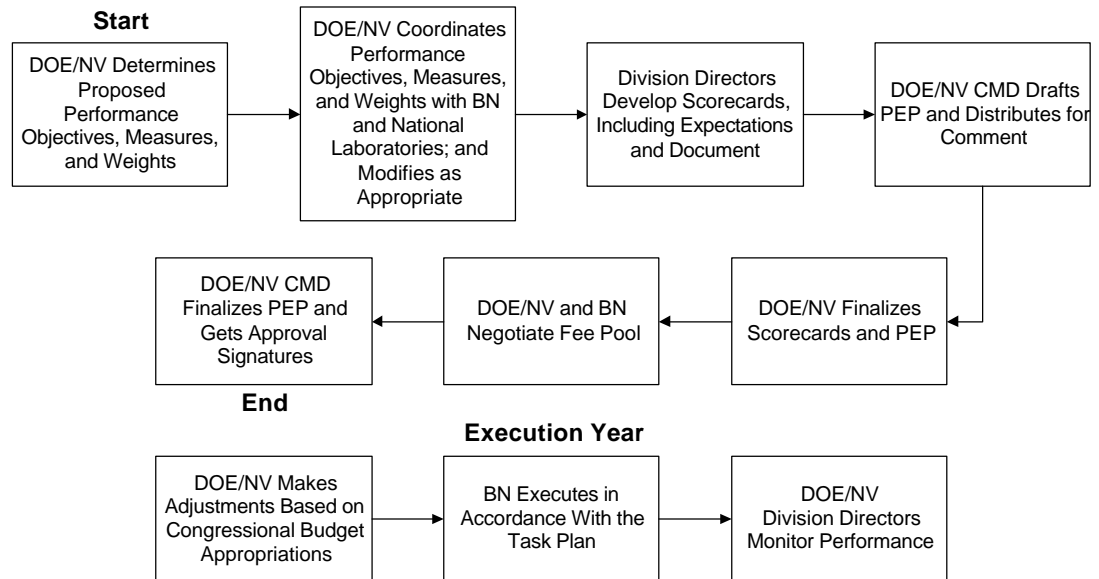


Figure 1. Flowchart for the Development of Scorecards

6.6 Finalization of the Performance Evaluation Plan. After the scorecards are finalized, CMD prepares the PEP and obtains approval of the Contracting Officer. It is anticipated that the plan will be provided to BN 30 days prior to the beginning of the FY.

6.7 Change Control

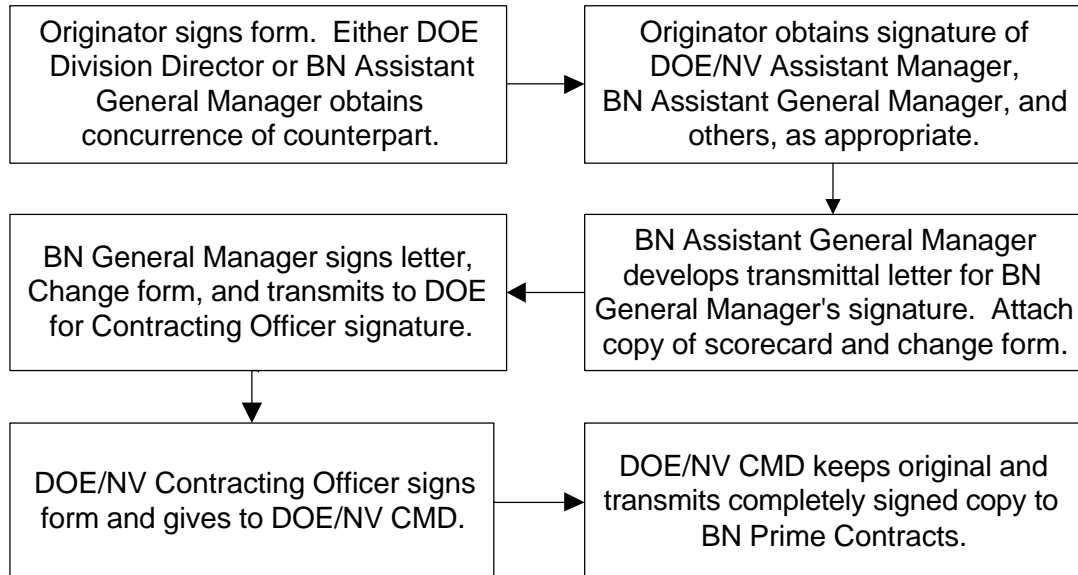
The PEP may be modified by following the change control process described below. This change control process ensures that there is sufficient analysis and coordination by all involved parties prior to making any changes to performance measures or expectations. Proposed changes to the PEP may be initiated by either DOE/NV or BN. Changes may include, but are not limited to the following: delivery dates of milestones, milestone language, scope changes, and percentages assigned to performance measures. The change control process also applies to any new performance measures or expectations proposed during the performance period. A flowchart depicting the preparation, review, and approval of the PEP Change Request is shown in Figure 2.

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Start



End

Figure 2. Flow Chart for PEP Change Request

A change to the PEP may be initiated by a cognizant party of any organization by documenting the change request (Exhibit 3). The initiator discusses the proposed change with the other organization's counterpart defining the extent and nature of the change. The cognizant DOE/NV Division Director makes an assessment of the impact of the proposed change to other DOE/NV Assistant Manager programs. Those changes that affect other DOE/NV Assistant Manager's programs require review by other applicable Assistant Managers. For those changes that do not affect other DOE/NV Assistant Managers, the DOE/NV Division Director coordinates the change and obtains appropriate concurrence. Upon completion of the coordination, the DOE/NV Division Director submits the change for approval and signature to the DOE/NV Contracting Officer through the DOE/NV Assistant Manager and the DOE/NV CMD. The DOE/NV Contracting Officer reviews and approves the PEP Change Request. An informational copy of the approved change is provided to members of the Executive Council. Upon approval of a change request involving a scorecard, a revised scorecard is generated and issued. This

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revision would supersede the original scorecard, except that the approval signatures on the change request attached to the revised scorecard, validate the revision of the scorecard, and the scorecard need not be resigned.

6.8 Performance Evaluation

Work is executed in accordance with the Task Plans and performance measured and monitored. Scorecards established in the current year are maintained. The BN contract has two performance periods: October 1 through March 31, and April 1 through September 30. All incentive fee and award fee performance elements will be evaluated twice per year consistent with the two performance periods.

For incentive fee, the following signature process is used for interim milestones and performance measures completed. During the 10 business days before the end of the reporting period, the DOE/NV Division Director determines progress, validates, and documents completion of performance measures and expectations (Exhibit 5). The DOE/NV Division Director obtains the appropriate signatures. These are the same signatures that are on the development side of the scorecard, i.e., "Performance Measure Fee Rating Criteria." In turn, the Assistant Manager forwards the scorecard and the validation sheets to CMD.

For award fee, DOE/NV senior management meet with BN senior management on a quarterly basis to discuss BN's overall performance. Ten days prior to the end of the performing period, DOE/NV CMD requests comments from DOE/HQ and DOE/NV on BN's management effectiveness in meeting Award Fee Criteria. An assessment of BN's performance is prepared by each Assistant Manager (Exhibit 6). DOE/NV CMD summarizes all comments for consideration by the Executive Council. Approximately 2 days prior to the DOE/NV Executive Council's review of the Award Fee scorecard, a copy without the assigned rating is provided to the BN General Manager for comment, as appropriate.

For fee determination, on the second Thursday after the end of the performing period, BN senior management meets with the DOE/NV Executive Council to provide a summary of BN's overall performance including accomplishments and areas of concern.

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On the third Thursday after the end of the performing period, the DOE/NV Executive Council convenes to review all scorecards, assign an overall award fee rating without individual ratings for each award fee management expectation, determine fee earned for the Award Fee scorecard, and ensure that all required signatures are obtained. These scorecards remain in DOE's possession.

The DOE/NV Manager meets with the BN General Manager to discuss the overall performance and informs the BN General Manager in writing, within 30 calendar days of the end of the performing period, of the determination and the amount of fee earned, and authorizes BN to draw down earned fee. Figure 3 is a flowchart that illustrates the entire process.

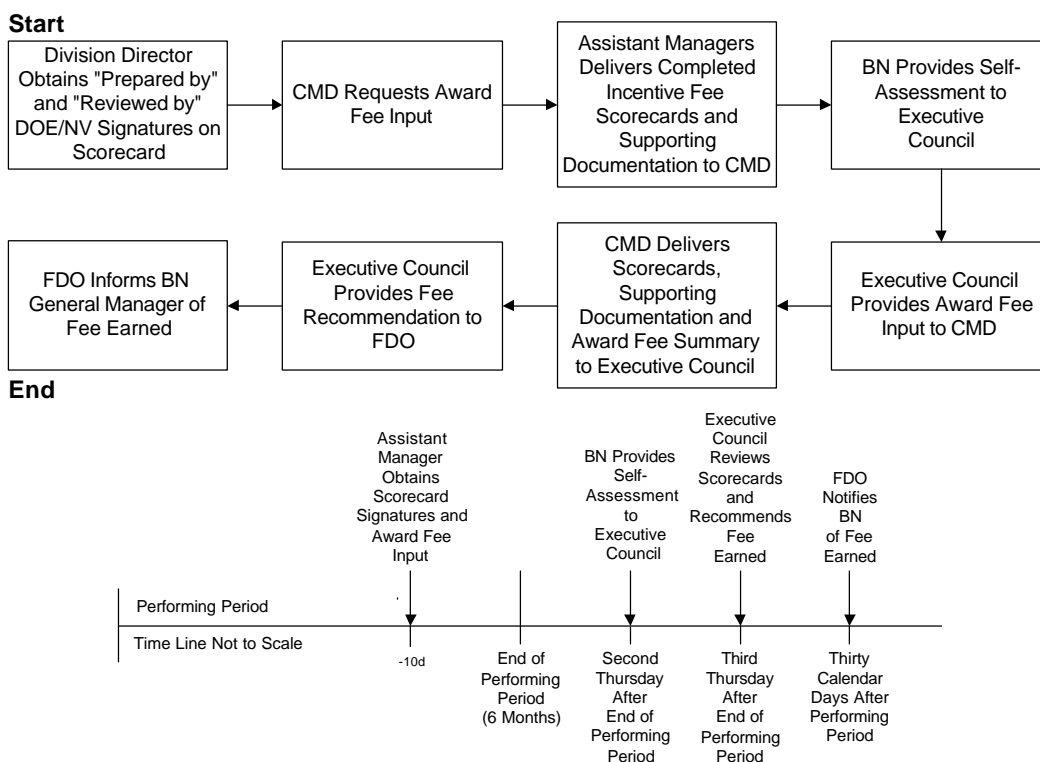


Figure 3. Flowchart and Time Line for Processing and Maintaining Scorecards

7.0 FORMS. None.

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8.0 RECORDS MANAGEMENT. None.

9.0 REFERENCES

- 9.1 NV PI 97-008, DOE/NV INTEGRATED MANAGEMENT SCHEDULE, dated May 1997.
- 9.2 NV PI 97-006, TASK PLAN PROCESS, February 1997.
- 9.3 U.S. Department of Energy Nevada Operations Office Contract With Bechtel Nevada for Management and Operating Support for the Nevada Operations Office; Contract No. DE-AC08-96NV11718.

10.0 EXHIBITS

- 10.1 Performance Fee Scorecard
- 10.2 Award Fee Scorecard
- 10.3 Performance Evaluation Plan Change Request
- 10.4 Checklist for Development of Performance Measures
- 10.5 Documentation of Performance Measure/Expectation Validation Process
- 10.6 Assessment of Contractor Performance Award Fee Report

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PERFORMANCE FEE SCORECARD

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10.3 Performance Evaluation Plan Change Request

PERFORMANCE EVALUATION PLAN CHANGE REQUEST

Performance Measure Number: Initiated by: ☐ DOE ☐ BN
Performance Measure Description: ES&H Impacts: ☐ Yes ☐ No

DESCRIPTION OF CHANGE

Change from:

Change to:

Reason for change:

Impacts (Fully describe the impacts, such as Schedule, Monetary, Scope, Performance):

Concurrence

DOE/NV

BECHTEL NEVADA

DOE/NV Division Director

BN Assistant General Manager

Date

Date

DOE/NV Assistant Manager

Deputy General Manager/Assistant
General Manager/Director

Date

Date

Other DOE/NV Concurrence (add as appropriate)

Date

Approval

DOE/NV Contracting Officer

Date

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10.4 Checklist for Development of Performance Measures

**CHECKLIST FOR DEVELOPMENT OF
PERFORMANCE MEASURES**

PERFORMANCE MEASURE NUMBER _____

1. Rationale/objective(s) for incentivizing performance measure:
2. Estimated cost for Bechtel Nevada to perform the work and achieve completion of the Performance Measure, by expectation:

	% PM	\$ Value
Expectation 1	_____	_____
Expectation 2	_____	_____
Expectation 3	_____	_____
Total	_____	_____

3. Fee available for completing Performance Measure, by expectation :

	% of PM	\$ Value
Expectation 1	_____	_____
Expectation 2	_____	_____
Expectation 3	_____	_____
Total	_____	_____

4. Meets Performance Measure and Expectation Attributes? ☐ Yes ☐ No

- Relates to DOE/NV's Strategic Plan? ☐ Yes ☐ No
- Addresses Programmatic Issues and Concerns? ☐ Yes ☐ No
- Indicates Desired Changes in Contractor Culture? ☐ Yes ☐ No
- Realistic Work Scope Estimated Cost vs Proposed Fee and Weight? ☐ Yes ☐ No
- Considers Customer Expectations? ☐ Yes ☐ No
- Challenging work scope? ☐ Yes ☐ No

5. Are the processes and systems already in place to validate accomplishment of work?
☐ Yes ☐ No

DOE/NV Office/Division Director

Date

DOE/NV Assistant/Deputy Manager

Date

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10.5 Documentation of Performance Measure/Expectation Validation Process

**DOCUMENTATION OF PERFORMANCE MEASURE/EXPECTATION
VALIDATION PROCESS**

PERFORMANCE MEASURE NUMBER _____

1. Methodology for validating completion of Performance Measure/Expectation.
(Validator to provide a brief description of the method used to validate completion of Performance Measure/Expectation.)

2. Performance Measure/Expectation complete: Yes ☐ No ☐

3. Provide a brief description of basis for response to item 2. *(Clarifying remarks regarding completion, degree of completion, or lack of completion of Performance Measure.)*

DOE/NV Office/Division Director

Date

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10.6 Assessment of Contractor Performance Award Fee Report

ASSESSMENT OF CONTRACT PERFORMANCE

AWARD FEE REPORT

DOE/NV OFFICE/ASSISTANT MANAGER:_____

PERFORMANCE PERIOD:_____

OVERALL GRADE:_____

- | | |
|--|------------|
| 1. Management Practices:
(Narrative--not more than two paragraphs) | Grade_____ |
| 2. Program Accomplishment
(Narrative--not more than two paragraphs) | Grade_____ |
| 3. Environment, Safety, and Health
(Narrative-not more than two paragraphs) | Grade_____ |
| 4. Communication
(Narrative-not more than two paragraphs) | Grade_____ |
| 5. Customer Service
(Narrative-not more than two paragraphs) | Grade_____ |
| 6. Organizational Management
(Narrative-not more than two paragraphs) | Grade_____ |
| 7. Financial Management
(Narrative-not more than two paragraphs) | Grade_____ |
| 8. Special Emphasis Areas
(Narrative-not more than two paragraphs) | Grade_____ |

DOE/NV Office/Assistant/Deputy/Manager

Date

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The Executive Council shall take into consideration the overall management accomplishment, institutional management, and overall efficiency of operations in assigning a rating to the award fee scorecard. The following rating structure and percentage fee earned shall be followed by the Executive Council.

1. Grades and Associated Percentage of Earned Fee

- A 90%-100% Fee: Performance substantially exceeds expected levels of performance
- B 60%-89% Fee: Performance exceeds expected levels of performance
- C 30%-59% Fee: Performance meets expected levels of performance
- D 01%-29% Fee: Performance is less than expected
- E 0% Fee: Performance is unsatisfactory

2. Management Expectations

Management Practices

- Reduce the cost of doing business through business development, more efficient processes and practices, and the identification of innovative problem solving solutions.
- Identify and implement “best-in-class” management and business practices which are results-oriented; cost effective; and customer focused to improve processes, increase customer satisfaction, minimize defects and redundancies, and reduce costs.
- Conduct self-assessments that accurately identify strengths and weaknesses, participate in joint-assessments that contain candid discussions of areas of concern and corrective actions, and document and communicate performance trends.

Program Accomplishment

- Ensure that projects are completed in a manner that ensures achievement of technical objectives.
- Ensure that projects are completed consistent with cost and schedule baselines.

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- Ensure that projects are conducted in a safe and environmentally sound manner.

Environment, Safety, and Health

- Ensure Occupational Safety and Health performance goals continue to be met through effective program management.
- Ensure sound environmental management practices are observed in the conduct of all BN operations.
- Ensure sound environmental waste management practices are observed in the conduct of all BN operations.
- Ensure occupational health protection of employees through quality program management and oversight.

Communication

- Identify and communicate potential issues and concerns to the DOE/NV Manager, DOE/NV Assistant Managers, and customers in a timely manner.
- Communicate timely recommendations for corrective action that are comprehensive and address the root cause of the issues and concerns.
- Maintain frequent, open and candid communication of information throughout BN, DOE/NV, customers, and external partners.
- Acknowledge deficiencies and concerns and move quickly to correct the situation.

Customer Service

- Maintain strong partnerships, teamwork, customer focus, customer satisfaction, quality principles, and responsiveness.
- Ensure DOE/NV complex-wide objectives and business strategies are developed in partnership with DOE/NV and customers.

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- Ensure empowerment and trust of BM management and staff to acknowledge and resolve customer issues and concerns.

Organizational Management

- Maintain an effective and efficient diversity program that fosters inclusion of all employees and identifies practices that require management attention.
- Maintain an effective and efficient workforce program that attracts, retains, motivates, and rewards a competent and productive workforce; provides fair and reasonable benefit packages; promotes excellence; encourages participation; addresses employee concerns; and ensures communication that is open and free of fear.
- Maintain an effective and efficient workforce restructuring program to ensure the identification and retention of core and critical competencies, minimizes the separation of employees, and maximizes the rehire of previous displaced employees.
- Maintain a strong partnership with labor organizations to strengthen working relationships, minimize grievances, and improve union processes and practices.
- Maintain innovation, creativity, and management skill by effectively adapting to changing conditions and restructuring the work force in full compliance with all legal requirements, with minimum disruption to mission performance, health and safety commitments, and labor agreements.

Financial Management

- Maintain an effective financial management system.
- Manage indirect cost rate elements such that rates do not significantly increase during the FY.
- Maintain an effective Project Control System.
- Ensure that DOE/NV receives accurate project reports that identify cost, schedule, and technical performance.

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Special Emphasis Areas

- Special Emphasis Areas are extremely important to DOE and DOE/NV. These top priority areas will be identified by DOE/NV management.

11.0 APPENDIX. None.